

## **Downtown Morgan Hill**

### **40 East Third Street – Retail Space Lease**

Available Fall 2015

Location: Boundaries: located on southeast corner of Monterey Road, between 3<sup>rd</sup> St. and 4<sup>th</sup> St.

#### Conditions of Delivery

4,176 SF Retail Space , 50' deep X 84'; generous 28' sidewalk frontage

Adjacent 273 space public parking garage, 3,000 SF public plaza located at core Downtown Morgan Hill intersection

#### Warm shell condition features:

- 17 – 18' interior clear height
- 490 SF related, adjacent storage space accessible from retail building
- Designed to be partitioned to accommodate up to 3 separate tenants
- Parking in 273 space adjacent public garage
- Shared trash enclosure located within public garage, with hot/cold water and grease drain interceptor
- Shell includes main utility stub outs with provision for 3 tenant electrical and water meters
- Slab floor on grade
- Glass retail awnings; signage per tenant. Blade sign permitted
- 8 aluminum storefront windows with operable heavy wood doors
- Air conditioners for 3 tenants w/ outdoor condenser and variable refrigerant flow system capable of supporting 3 future tenants. System includes refrigerant piping into retail shell, branch controller capable of supporting eight, future, indoor units, controller outlets with shutoff valves.
- Venting path for restaurant range hood w/ ductwork
- Central Toilet exhaust system
- Central, occupant ventilation air system including fan and ducting for future tenant improvements

### Plumbing

Storm, sanitary, grease waste, natural gas and domestic water lines for future tenant's toilet rooms and food service requirements

- Utility laterals to space provided
- Common sanitary sewer through retail shell with floor clean-outs
- Grease waste piping system throughout entire retail shell (with floor cleanouts) terminating at 2,500 gallon grease interceptor
- Domestic water service with manifold DCW service for a house meter, shut off valves and piping spool for future meters for up to three tenant spaces
- Natural gas service and meter manifold for up to three tenant spaces. Each gas service to be 4,000 CFH.
- Wet pipe sprinkler system, concealable above ceilings and within walls, with sprinkler heads spaced for symmetry with ceiling features
- Tenant is responsible for sewer/water impact fees ( A credit of sewer impact fees is currently available, provided on a first come-first served basis until credit is exhausted)

### Electrical

- Commercial multi – meter section w/ (3) 200A sockets and (1) 400 socket
- Empty power conduits provided to each retail space for 200A capacity , stubbed to just inside building w/ pull – string
- 2” empty telephone conduit with pull string
- Fire alarm appliances

### Terms

This retail space is owned by the City of Morgan Hill.

Modified Gross lease:

- City of Morgan Hill is a public entity exempt from property tax
- Tenant will be assessed possessory interest directly by the Assessor, and those taxes are the responsibility of the tenant.
- The retail space is currently located within the Downtown Morgan Hill Property Business Improvement District (PBID). To the extent that the assessment district levies an assessment on this property, that cost will be a cost of the tenant.
- Should a tenant-based Downtown Business Assessment District (BID) be created, tenant will support that organization
- City is self-insured. Tenant will be required to carry individual occupancy insurance

- Maintenance will be responsibility of tenant, with lease carrying minimum standards for performance of exterior maintenance, primarily the sidewalk and plaza areas used by tenants as potential retail/restaurant space
- City will require general liability, host liquor liability, workers compensation and property insurance
- Exterior dining/retail operations will require a City of Morgan Hill encroachment permit
- Tenant will be required to regularly maintain trash enclosure and manage the joint trash use. Tenant may apportion appropriate shared costs of trash maintenance with other tenants. (Tenant trash will include that produced by adjacent Huntington Station restaurant and related residential tenant)
- City prefers to provide no tenant improvement allowance; City expects the lease rate to be structured to reflect this.
- City prefers not to pay real estate commissions, but recognizes that commissions may be paid and commensurate lease rate may reflect this.
- City lease will require continuous operations and provisions for minimum operating hours to avoid “dark space”
- Tenant will be required to comply with all City and County regulations related to the operation of their business.